

SENATE BILL

No. 7

Introduced by Senator Scott

November 24, 2003

An act to amend Section 5814 of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as introduced, Scott. Workers' compensation: compensation delays.

Existing law establishes a workers' compensation system to compensate an employee for injuries arising out of, or in the course of, employment.

Existing law requires a 10% increase in an award when compensation has been unreasonably delayed or refused.

This bill would, instead, require an increase of 15% or \$10,000, whichever is less. The bill would exempt from this increase medical treatment received after the date on which the increase was granted, and would define unreasonable delay, in the context of medical treatment, to exclude provider billing disputes for medical treatment that has been authorized by the employer in a timely manner.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5814 of the Labor Code is amended to
2 read:

1 5814. (a) When payment of ~~compensation~~ temporary
2 disability indemnity, permanent disability indemnity, death
3 benefits, or vocational rehabilitation maintenance allowance, has
4 been unreasonably delayed or refused, either prior to or
5 subsequent to the issuance of an award, the full amount of the
6 order, decision, or award shall be increased by ~~10 percent~~. 15
7 percent or ten thousand dollars (\$10,000), whichever is less.

8 (b) When the provision of medical treatment under Section
9 4600 has been unreasonably delayed or refused, either prior to or
10 subsequent to the issuance of an order, decision, or award, the full
11 amount of the order, decision, or award shall be increased by 15
12 percent or ten thousand dollars (\$10,000), whichever is less,
13 provided that the increase in the order, decision, or award required
14 pursuant to this subdivision shall not apply to medical treatment
15 received after the date on which the increase is granted.
16 Unreasonable delay, for the purposes of this subdivision, does not
17 exist when the medical treatment has been authorized by the
18 employer in a timely manner and the only dispute concerns
19 payment of the billing submitted by a provider pursuant to Section
20 4603.2.

21 (c) Multiple increases shall not be awarded for repeated delays
22 in making a series of payments due for the same type or specie of
23 benefit unless there has been a legally significant event between
24 the delay and the subsequent delay in payments of the same type
25 or specie of benefits. The question of delay and the reasonableness
26 of the cause therefor shall be determined by the appeals board in
27 accordance with the facts. This delay or refusal shall constitute
28 good cause under Section 5803 to rescind, alter, or amend the
29 order, decision, or award for the purpose of making the increase
30 provided for herein.

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